

Internal Revenue Service

Number: **201418046**
Release Date: 5/2/2014

Index Number: 355.01-00, 355.03-00,
368.03-00, 368.02-02,
368.04-00, 368.06-00,
332.00-00

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:CORP:B05
PLR-128740-13
Date:
October 21, 2013

Legend

Distributing 2 =

Disregarded New =
Distributing 2

New Distributing 2 =

Distributing 1 =

Controlled 1 =

Controlled 2 =

FSub 1 =

FSub 2 =

FSub 3 =

FSub 4 =

FSub 5 =

FSub 6 =

FSub 7 =

FSub 8 =

New FSub 3 =

Sub 1 =

Sub 2 =

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3

Sub 3 =

Sub 4 =

Sub 5 =

Sub 6 =

DRE 1 =

DRE 2 =

DRE 3 =

DRE 4 =

DRE 5 =

DRE 6 =

DRE 7 =

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4

DRE 8 =

DRE 9 =

DRE 10 =

DRE 11 =

DRE 12 =

DRE 13 =

DRE 14 =

DRE 15 =

DRE 16 =

LLC 1 =

LLC 2 =

LLC 3 =

LLC 4 =

LLC 5 =

LLC 6 =

LLC 7 =

LLC 8 =

LP =

Shareholder A =

Shareholder B =

Business A =

Business B =

Country A =

Country B =

Country C =

Country D =

Country E =

Country F =

Country G =

Country H =

State A =

Instrument =

Type 1 Operations =

Type 2 Operations =

Type 1 Assets =

Type 2 Assets =

Prefatory
Transactions =

U.S. LP Type 1
Entities =

Foreign LP Type 1 =
Entities

FSub 3 Type 2 =
Entities

Type A Shares =

Type B Shares =

Type C Share =

Company =

Company 1 =

Credit Facilities =

CP Facility =

Market =

Merger Agreement =

Sub 1 Plan of
Reorganization =

Plan Date =

Post-Merger
Transactions =

Share Repurchase =
Program

Non-SAG Affiliate =
Managerial Activities

Business B Affiliate =
Managerial Activities

Distributing 2 =
Related Entities

a =

b =

c =

d =

e =

f =

g =

h =

i =

j =

k =

l =

m =

n =

o =

p =

q =

r =

s =

t =

u =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Dear :

This letter responds to your June 24, 2013, request for rulings on certain federal income tax consequences of a series of proposed transactions (collectively, the Proposed Transaction). The information provided in that request and later correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by the appropriate parties. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether either the Internal Distribution (defined below) or the External Distribution (defined below): (i) satisfies the business purpose requirement of § 1.355-2(b); (ii) is used principally as a device for the distribution of the earnings and profits (“E&P”) of Distributing 1, Controlled 1, or both or New Distributing 2, Controlled 2, or both, respectively (see § 355(a)(1)(B) and § 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in any distributing or controlled corporation (see § 355(e)(2)(A)(ii) and § 1.355-7).

Summary of Facts

Distributing 2 is a corporation organized under the laws of Country A. The authorized capital stock of Distributing 2 consists of one class of common stock (the “Distributing 2 Common Stock”), which is widely held and publicly traded on Market. Based on publicly available information filed with the Securities and Exchange Commission, each of Shareholder A and Shareholder B beneficially held five percent or more of the Distributing 2 Common Stock as of Date 1. Unless otherwise stated, each entity described below is treated as a corporation for federal income tax purposes.

Distributing 2 owns all of the issued and outstanding stock of or interests in each of (i) FSub 1, an entity organized under the laws of Country A; (ii) FSub 2, an entity organized under the laws of Country B; and (iii) DRE 1, an entity organized under the laws of Country B and treated as a disregarded entity for federal income tax purposes (a “disregarded entity”). FSub 2 owns all of the issued and outstanding stock of (i) FSub 3, an entity organized under the laws of Country B; (ii) FSub 4, an entity organized under the laws of Country C; and (iii) FSub 5, an entity organized under the laws of Country C. Each of FSub 4 and FSub 5 has two classes of equity for federal income tax

purposes: common stock and an Instrument. FSub 2 also owns all of the issued and outstanding interests in (i) DRE 12, an entity organized under the laws of Country B and treated as a disregarded entity; and (ii) DRE 2, an entity organized under the laws of Country D and treated as a disregarded entity. DRE 2 owns all of the issued and outstanding interests in DRE 3, an entity organized under the laws of Country C and treated as a disregarded entity. DRE 3 owns approximately b% of the issued and outstanding stock of Distributing 1, a State A corporation and the common parent of a group of affiliated corporations that join in the filing of U.S. consolidated federal income tax returns (the “Distributing 1 Group”). DRE 3 also owns all of the issued and outstanding interests in DRE 4, an entity organized under the laws of Country A and treated as a disregarded entity. DRE 4 owns c% of the issued and outstanding stock of FSub 6, an entity that is organized under the laws of Country E.

Distributing 1 owns all of the issued and outstanding stock of Sub 1, a State A corporation. Sub 1 owns all of the issued and outstanding stock of Sub 2, Sub 3, and Sub 4, each a State A corporation. Sub 1 also owns (i) all of the issued and outstanding membership interests in LLC 1, LLC 2, and LLC 3, each a State A limited liability company treated as a disregarded entity and (ii) a preferred interest in LP that bears a d% return and an e% common interest in LP (collectively, the “LP Limited Interest”). LP is a partnership organized under the laws of Country C and treated as a partnership for federal income tax purposes. Each of FSub 4 and FSub 5 owns an f% common interest in LP (each, an “LP General Interest”). LLC 1 owns (i) all of the issued and outstanding stock of Sub 5 and Sub 6, each a State A corporation; (ii) all of the issued and outstanding interests in each of LLC 4, LLC 5, and LLC 6, each a State A limited liability company and a disregarded entity; and (iii) g% of the issued and outstanding stock of FSub 7, an entity organized under the laws of Country B. Sub 2 owns the remaining h% of the stock of FSub 7 and all of the issued and outstanding stock of FSub 8, an entity organized under the laws of Country F. FSub 7 owns the remaining approximately i% of the stock of Distributing 1. Each of Sub 1, Sub 2, Sub 3, Sub 4, Sub 5, and Sub 6 is a member of the Distributing 1 Group.

LP owns all of the issued and outstanding interests in DRE 5, an entity organized under the laws of Country B and treated as a disregarded entity. DRE 5 indirectly owns (i) all of the issued and outstanding interests in LLC 7, a State A limited liability company treated as a disregarded entity, and (ii) the remaining j% interest in FSub 6. LLC 7 owns all of the issued and outstanding interests in DRE 6, an entity organized under the laws of Country B and treated as a disregarded entity.

Distributing 1 and the members of its “separate affiliated group,” as defined in § 355(b)(3) (the “Distributing 1 SAG”), and Distributing 2 and the members of its separate affiliated group (the “Distributing 2 SAG”), directly engage in Business A and Business B, and following the Distributing 2 Migration (defined below), New Distributing 2 and the members of its separate affiliated group (the “New Distributing 2 SAG”) will directly engage in Business A and Business B. Financial information has been

submitted indicating that Business A, as conducted by each of the Distributing 1 SAG and the Distributing 2 SAG, has had gross receipts and operating expenses representing the active conduct of a trade or business for each of the past five years. As a result of the Proposed Transaction, Controlled 1 and the members of its separate affiliated group (the “Controlled 1 SAG”) and Controlled 2 and the members of its separate affiliated group (the “Controlled 2 SAG”) will directly engage in Business B. Financial information has been submitted indicating that Business B, as will be conducted by each of the Controlled 1 SAG and the Controlled 2 SAG, has had gross receipts and operating expenses representing the active conduct of a trade or business for each of the past five years.

The External Distribution is motivated, in whole or substantial part, by the following corporate business purposes: (i) to allow the managements of the Type 1 Operations and the Type 2 Operations to focus on their disparate business strategies and to derive operational benefits that are expected to result from separately operating the Type 1 Operations and the Type 2 Operations; (ii) to increase the aggregate trading price of the stock of New Distributing 2 and Controlled 2 as compared with the trading price of the New Distributing 2 Common Stock without the External Distribution, and to provide New Distributing 2 and Controlled 2 with distinct acquisition currencies; (iii) to permit New Distributing 2 and Controlled 2 to each adopt a capital structure better suited to its respective business model; and (iv) to more directly align the incentive compensation of employees of the New Distributing 2 group and the Controlled 2 group, respectively, with the business of such group and, as a result of the anticipated increased aggregate trading price, to reduce dilution of existing shareholders resulting from the issuance of equity-based incentives (collectively, the “Corporate Business Purposes”).

Prefatory Transactions

In order to accomplish Distributing 2’s objective of separating its Type 1 Operations from its Type 2 Operations through the Proposed Transaction, certain Prefatory Transactions will have been effected, including: (i) the separation of LP’s Type 1 Operations from its Type 2 Operations, resulting in the creation by LP of (A) DRE 7 (which will hold the U.S. LP Type 1 Entities), an entity organized under the laws of Country B and treated as a disregarded entity; (B) DRE 8 (which will hold the Foreign LP Type 1 Entities), an entity organized under the laws of Country B and treated as a disregarded entity; and (C) DRE 9, an entity organized under the laws of Country B and treated as a disregarded entity (which will hold directly and indirectly all of the interests in DRE 10, an entity organized under the laws of Country E and treated as a disregarded entity, and DRE 11, an entity organized under the laws of Country G and treated as a disregarded entity); and (ii) the separation of FSub 3’s Type 1 Operations from its Type 2 Operations, resulting in the creation of the FSub 3 Type 2 Entities. As a result of the Prefatory Transactions, DRE 6 will have become wholly owned by DRE 8, which is also expected to own, directly or indirectly, the j% interest in FSub 6.

Proposed Transaction

For what are represented to be valid business purposes, Distributing 2 proposes to effect the External Distribution (as defined in Step (xiv)). The following steps have been or will be undertaken (collectively, the “Proposed Transaction”) to implement the External Distribution:

(i) DRE 1 established Disregarded New Distributing 2, an entity organized under the laws of Country H with u represented by Type A Shares, which will constitute all of the shares of Disregarded New Distributing 2. Disregarded New Distributing 2 will elect to be treated as a disregarded entity (such formation, the “Disregarded New Distributing 2 Formation”).

(ii) Distributing 2 and Disregarded New Distributing 2 will enter into the Merger Agreement and Disregarded New Distributing 2 will re-register as a Company under the laws of Country H (“New Distributing 2”), after which New Distributing 2 will be treated as a corporation for federal income tax purposes (the “Re-registration”). In connection with the Re-registration, New Distributing 2 will issue the Type B Shares to DRE 1 in exchange for k.

(iii) Subject to the satisfaction of certain conditions summarized below, Distributing 2 will merge under local law with and into New Distributing 2, with New Distributing 2 surviving and each holder of a share of Distributing 2 Common Stock receiving solely a New Distributing 2 ordinary share in exchange for each share of Distributing 2 Common Stock (such New Distributing 2 ordinary shares, the “New Distributing 2 Common Stock,” and such merger, the “Distributing 2 Merger”). The Distributing 2 Merger is subject to certain conditions beyond the control of Distributing 2, including (a) receipt of requisite approval of the holders of the Distributing 2 Common Stock and (b) there being no tax imposed under Country A law on Distributing 2 or the shareholders of Distributing 2 as a result of the Distributing 2 Merger.

(iv) As soon as practicable following the effective time of the Distributing 2 Merger, and as will be reflected in the executed Merger Agreement, New Distributing 2 will engage in the Post-Merger Transactions (collectively with the Disregarded New Distributing 2 Formation, the Re-registration, and the Distributing 2 Merger, the “Distributing 2 Migration”).

(v) On Date 2, FSub 2 formed DRE 12.

(vi) LP will distribute all of the issued and outstanding interests in DRE 7 to Sub 1.

(vii) Sub 2 will liquidate under State A law (the “Sub 2 Liquidation”).

(viii) FSub 7 will liquidate and distribute its i% stock interest in Distributing 1 pro rata to LLC 1 and Sub 1 (the “FSub 7 Liquidation,” and, with the Sub 2 Liquidation, the “Liquidations”).

(ix) LLC 1 will distribute the Distributing 1 stock interest received in Step (viii), certain Type 1 Assets, and 100% of the stock of Sub 6 to Sub 1.

(x) As will be reflected in the Sub 1 Plan of Reorganization, the following transactions will occur:

- (a) more than l days before the effective date of the state law conversion of Sub 1 to a limited liability company (“LLC 8”) that will be treated as a disregarded entity of Distributing 1 (the “Sub 1 Conversion”), Sub 1 will distribute its Type 2 Assets (including all of the Distributing 1 stock it owns; 100% of the stock or membership interests, as applicable, of each of LLC 1, Sub 3, Sub 4, LLC 2, and LLC 3; and the LP Limited Interest) to Distributing 1;
- (b) Sub 1 and Distributing 1 will enter into an agreement pursuant to which Distributing 1 agrees to satisfy all of Sub 1’s obligations with respect to the Sub 1 m% senior notes maturing on Date 3 (the “Sub 1 Senior Notes”);
- (c) at least n days before the effective date of the Sub 1 Conversion,
 - (i) Distributing 1 will execute a supplemental indenture with respect to the Sub 1 Senior Notes, which, among other things, will provide for the novation of Sub 1’s obligations with respect to such indebtedness;
 - (ii) Distributing 1 will enter into a guarantee of the Credit Facilities whereupon Sub 1 will be released as a guarantor under the Credit Facilities; and
 - (iii) Distributing 1 will enter into a guarantee of the CP Facility and Sub 1 will no longer be a guarantor of any outstanding notes or future note issuances thereunder; and
- (d) the Sub 1 Conversion will be effected (this Step (x)(a) through (d), collectively, the “Sub 1 Reorganization”).

(xi) FSub 2 will form a new Country B entity that will be an association taxable as a corporation for federal income tax purposes (“New FSub 3”) and will transfer all of the issued and outstanding stock of FSub 3 to New FSub 3 and, thereafter, FSub 3 will elect to be treated as a disregarded entity (“DRE 13,” and this Step (xi), the “FSub 3 Reorganization”). New FSub 3 may be formed prior to this Step (xi).

(xii) DRE 13 will distribute the FSub 3 Type 2 Entities to New FSub 3.

(xiii) FSub 2 will elect to be treated as a disregarded entity (“DRE 14”; this Step (xiii), the “FSub 2 Reorganization”; and the FSub 2 Reorganization, together with the Sub 1 Reorganization, the “Upstream Reorganizations”).

(xiv) DRE 4 will transfer its c% interest in FSub 6 to DRE 14.

(xv) Distributing 1 will form Controlled 1 and contribute thereto its Type 1 Assets, including all of the issued and outstanding interests in LLC 8 to Controlled 1 in exchange for all of the issued and outstanding shares of Controlled 1’s single class of common stock (the “First Contribution”). Controlled 1 may be formed prior to this Step (xv).

(xvi) Prior to the Internal Distribution (defined below), certain intragroup obligations that would result in obligations between Distributing 1 and its affiliates and Controlled 1 and its affiliates following the Internal Distribution will be settled or transferred in settlement of other such obligations.

(xvii) Distributing 1 will distribute all of the issued and outstanding stock of Controlled 1 to DRE 3 (the “Internal Distribution”).

(xviii) DRE 3 will distribute all of the issued and outstanding stock of Controlled 1 to DRE 2.

(xix) DRE 2 will distribute all of the issued and outstanding stock of Controlled 1 to DRE 14.

(xx) DRE 14 will form Controlled 2 under the laws of Country H. This Step (xx) may occur earlier in the sequence of steps comprising the Proposed Transaction.

(xxi) Controlled 2 will form a new entity under the laws of Country B (“DRE 15”) that will make an initial entity classification election to be treated as a disregarded entity. DRE 15 may be formed prior to this Step (xxi).

(xxii) LP will distribute a g% interest in DRE 8 to each of FSub 4 and FSub 5.

(xxiii) FSub 4 and FSub 5 will each distribute a portion of its respective interests in DRE 8 (collectively, the “Distributed DRE 8 Interest”) to DRE 14 (i) in a partial redemption of the FSub 4 Instrument and of the FSub 5 Instrument, respectively, and (ii) with respect to FSub 4 and FSub 5 common stock, respectively.

(xxiv) DRE 14 will contribute to Controlled 2 Type 1 Assets, including all of the issued and outstanding stock of and interests in Controlled 1 and DRE 12, its c% interest in FSub 6, and the Distributed DRE 8 Interest solely in exchange for Controlled 2’s single class of outstanding common stock (the “Original Second Contribution”).

(xxv) Controlled 2 will transfer the Distributed DRE 8 Interest, all of the issued and outstanding interests in DRE 12, and, potentially, its c% interest in FSub 6 to DRE 15 in exchange for all of the issued and outstanding interests in DRE 15 and, potentially, a note issued by DRE 15.

(xxvi) FSub 4 and FSub 5 will sell the remaining interests in DRE 8 (collectively, the "Undistributed DRE 8 Interest") to Controlled 2 (or DRE 15), respectively, in exchange for Controlled 2 (or DRE 15) notes (collectively, the "GP Notes," and this Step (xxvi), the "GP Sales"). If Controlled 2 is the purchaser, it will contribute the Undistributed DRE 8 Interest to DRE 15.

(xxvii) New Distributing 2 will form DRE 16, an entity organized under the laws of Country B and treated as a disregarded entity, and will transfer all of the issued and outstanding interests in DRE 14 to DRE 16. This Step (xxvii) may occur earlier in the sequence of steps comprising the Proposed Transaction.

(xxviii) DRE 14 will distribute all of the issued and outstanding stock of Controlled 2 to DRE 16. This Step (xxviii) may occur earlier in the sequence of steps comprising the Proposed Transaction.

(xxix) As soon as practicable after receiving the requisite Company 1 approval, LP will distribute a p% interest in DRE 9 to each of FSub 4 and FSub 5.

(xxx) FSub 4 and FSub 5 will each distribute its respective interest in DRE 9 to DRE 14 (i) in a partial redemption of the FSub 4 Instrument and of the FSub 5 Instrument, respectively, and (ii) with respect to FSub 4 and FSub 5 common stock, respectively.

(xxxi) DRE 14 will distribute all of the issued and outstanding interests in DRE 9 to DRE 16.

(xxxii) DRE 16 will contribute all of the issued and outstanding interests in DRE 9 to Controlled 2 (together with the Original Second Contribution, the "Second Contribution").

(xxxiii) Controlled 2 will contribute all of the issued and outstanding interests in DRE 9 to DRE 15.

(xxxiv) New FSub 3 will sell all of the issued and outstanding interests in DRE 13 to Controlled 2 (or DRE 15) in exchange for a note (the "New FSub 3 Note") (this Step (xxxiv) the "New FSub 3 Sale," and, with the GP Sales, the "Sales"). If Controlled 2 is the purchaser, it will contribute its interest in DRE 13 to DRE 15. This Step (xxxiv) may occur earlier in the sequence of steps comprising the Proposed Transaction.

(xxxv) Controlled 2 will recapitalize its common stock into a to-be-determined number of shares and thereafter will effect an initial public offering of up to approximately q% of such stock (the “Controlled 2 IPO,” and the proceeds from such IPO, the “Controlled 2 IPO Proceeds”).

(xxxvi) Controlled 2 will issue senior notes to the public (the proceeds from such issuance, the “Controlled 2 Debt Proceeds”).

(xxxvii) DRE 15 will issue a term loan to third parties (the proceeds of such issuance, the “Term Loan Proceeds”).

(xxxviii) DRE 15 will either distribute the Term Loan Proceeds to Controlled 2 or repay the DRE 15 note (if a note is issued in connection with Step (xxv)). If DRE 15 is the purchaser with respect to the Sales, then DRE 15 will not distribute the Term Loan Proceeds to Controlled 2.

(xxxix) Controlled 2 will use the Controlled 2 Debt Proceeds, the Term Loan Proceeds, and the Controlled 2 IPO Proceeds, net of fees, to repay the GP Notes and the New FSub 3 Note. If DRE 15 is the purchaser with respect to the Sales, Controlled 2 will contribute to DRE 15 the Controlled 2 IPO Proceeds and the Controlled 2 Debt Proceeds, and DRE 15 will use such proceeds, along with the Term Loan Proceeds, to repay the GP Notes and the New FSub 3 Note. If such proceeds are insufficient to repay the GP Notes and the New FSub 3 Note, Controlled 2 or DRE 15, as the case may be, will repay the balance of such indebtedness with cash borrowed from one or more unrelated third parties.

(xl) Each of FSub 4 and FSub 5 will distribute the cash respectively received from the repayment of the GP Notes to DRE 14 (i) in partial redemption of each of the FSub 4 Instrument and the FSub 5 Instrument, respectively, and (ii) with respect to FSub 4 and FSub 5 common stock, respectively.

(xli) New FSub 3 will distribute to DRE 14 the cash received from the repayment of the New FSub 3 Note.

(xlii) Prior to the External Distribution (defined below), certain intragroup obligations that would result in obligations between Distributing 2 and its affiliates and Controlled 2 and its affiliates following the External Distribution will be settled or transferred in settlement of other such obligations.

(xlili) Approximately r-to-s months after the Controlled 2 IPO, DRE 16 will distribute all of its shares of Controlled 2 stock (representing no less than approximately t% of the sole class of Controlled 2 stock outstanding) to New Distributing 2.

(xliv) Immediately after Step (xlili), New Distributing 2 will distribute all of its shares of Controlled 2 stock (representing no less than approximately 1% of the sole class of Controlled 2 stock outstanding) to its public shareholders pro rata (the “External Distribution”).

Continuing Agreements

In connection with the Proposed Transaction, New Distributing 2 and its affiliates, on the one hand, and Controlled 2 and its affiliates, on the other hand, anticipate entering into agreements regarding customary transitional services (the “Transitional Service Agreements”) and other continuing arrangements (e.g., arrangements governing intellectual property, terms of the proposed separation and related indemnities, and tax sharing and other matters related to taxes) (such agreements, collectively with the Transitional Service Agreements, the “Continuing Agreements”). The Transitional Service Agreements are expected to have a term of not longer than two years.

Representations

The Distributing 2 Migration

Distributing 2 makes the following representations with respect to the Distributing 2 Migration:

(a) Each shareholder of Distributing 2 will receive solely shares of New Distributing 2 Common Stock in the Distributing 2 Migration.

(b) The fair market value of the shares of New Distributing 2 Common Stock received by each shareholder of Distributing 2 in the Distributing 2 Migration will be approximately equal to the fair market value of the shares of Distributing 2 Common Stock surrendered in the exchange.

(c) Immediately following the Distributing 2 Migration, the shareholders of Distributing 2 will own for federal income tax purposes all of the outstanding shares of New Distributing 2 Common Stock and will own such common shares solely by reason of their ownership of shares of Distributing 2 Common Stock immediately prior to the Distributing 2 Migration.

(d) Immediately following the Distributing 2 Migration, New Distributing 2 will possess the same assets and liabilities, except for (A) certain performance rights and obligations required to facilitate the Distributing 2 Migration, (B) up to 1% held by New Distributing 2 to facilitate its Re-registration, (C) any assets used to pay expenses incurred in connection with the Distributing 2 Migration, and (D) any assets used to satisfy a judgment in an appraisal suit brought by a Distributing 2 shareholder, as those possessed by Distributing 2 immediately prior to the Distributing 2 Migration. The assets

used to pay expenses will be less than 1% of the fair market value of the net assets of Distributing 2 immediately prior to the Distributing 2 Migration. Other than the distribution by Distributing 2 of the shares of New Distributing 2 Common Stock in exchange for the shares of Distributing 2 Common Stock held by shareholders of Distributing 2 in the Distributing 2 Migration, no assets will be distributed by Distributing 2 simultaneously with the Distributing 2 Migration.

(e) All the liabilities of Distributing 2 that will be assumed by New Distributing 2 in the Distributing 2 Migration (as determined under § 357(d)) will be liabilities that were incurred by Distributing 2 in the ordinary course of its business and are associated with the assets transferred from Distributing 2 to New Distributing 2.

(f) Disregarded New Distributing 2 is eligible to elect to be treated as a disregarded entity for U.S. tax purposes under § 301.7701-3 and filed a valid election to be treated as a disregarded entity effective Date 4.

(g) The shareholders of Distributing 2 will pay their own expenses, if any, incurred in connection with the Distributing 2 Migration.

(h) Distributing 2 is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of § 368(a)(3)(A).

(i) At all times prior to acquiring the assets of Distributing 2 in the Distributing 2 Migration: (A) New Distributing 2 will have been engaged in no business activity, and (B) New Distributing 2 will have had no property, assets, or tax attributes (attributes described in § 381(c)) except as relates to (i) the k contributed to such entity to facilitate the Re-registration, (ii) the u received for the shares issued in connection with the Disregarded New Distributing 2 Formation, and (iii) performance rights and obligations required to facilitate the Distributing 2 Migration.

(j) Distributing 2 will not be a controlled foreign corporation (as defined in § 957(a)) (a “CFC”), a passive foreign investment company (as defined in § 1297(a)) (a “PFIC”), or a “United States real property holding corporation,” as defined in § 897(c)(2) (a “USRPHC”), immediately before the Distributing 2 Migration, and New Distributing 2 will not be a CFC, a PFIC, or a USRPHC immediately after the Distributing 2 Migration.

(k) Immediately prior to the Distributing 2 Migration, no part of Distributing 2’s E&P will be comprised of effectively connected earnings and profits (as defined in either § 884(d) or § 884(b)(2)(B)(ii)).

The Liquidations

Distributing 2 makes representations (l) – (x) with respect to each of the

Liquidations (each a “Liquidation”) and representations (y) – (dd) with respect to the FSub 7 Liquidation. For purposes of this letter, (i) the “Subsidiary” refers to the corporation liquidating (i.e., Sub 2 with respect to the Sub 2 Liquidation and FSub 7 with respect to the FSub 7 Liquidation); and (ii) the “Parent” refers to the corporation receiving the liquidating distributions (i.e., Sub 1 with respect to each of the Liquidations).

(l) Parent, on the Plan Date, and at all times until the final liquidating distribution is completed, will own at least 80% of the single outstanding class of Subsidiary stock.

(m) No shares of Subsidiary stock will have been redeemed during the 3 years preceding the adoption of the plan of complete liquidation of Subsidiary.

(n) All distributions from Subsidiary to Parent pursuant to the plan of complete liquidation will be made within a single taxable year of Subsidiary.

(o) As soon as the first liquidating distribution occurs, Subsidiary will cease to be a going concern and its activities will be limited to winding up its affairs, paying its debts, and distributing its remaining assets to its shareholders.

(p) Subsidiary will retain no assets following the Liquidation.

(q) Subsidiary will not have acquired assets in a nontaxable transaction at any time, except for acquisitions occurring more than 3 years prior to the Plan Date.

(r) No assets of Subsidiary have been, or will be, disposed of by either Subsidiary or Parent except for (i) dispositions in the ordinary course of business, (ii) dispositions occurring more than 3 years prior to the Plan Date, and (iii) dispositions as part of the Proposed Transaction.

(s) Except with respect to transactions comprising steps of the Proposed Transaction and transfers in the ordinary course of business, the Liquidation will not be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation (“Recipient”) of any of the businesses or assets of Subsidiary, if persons holding, directly or indirectly, more than 20% in value of Subsidiary stock (as determined by application of § 318(a) as modified by § 304(c)(3)) also hold, directly or indirectly, more than 20% in value of the stock in Recipient.

(t) Prior to adoption of the liquidation plan, no assets of Subsidiary will have been distributed in kind, transferred, or sold to Parent, except for (i) transactions occurring in the ordinary course of business and (ii) transactions occurring more than 3 years prior to adoption of the liquidation plan.

(u) The fair market value of the assets of Subsidiary will exceed its liabilities both at the date of the adoption of the plan of complete liquidation and immediately prior to the time the first liquidating distribution is made.

(v) There is no intercorporate debt existing between Parent and Subsidiary, and none has been canceled, forgiven, or discounted, except for transactions that occurred more than 3 years prior to the date of adoption of the liquidation plan.

(w) Parent is not an organization that is exempt from federal income taxation under § 501 or any other provision of the Code.

(x) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the Liquidation have been fully disclosed.

(y) Immediately after Sub 2's liquidation, Sub 1 will be a § 1248 shareholder (within the meaning of § 1.1248(f)-1(c)(12)) with respect to FSub 7 and FSub 8.

(z) Sub 1 will be treated as holding the stock of FSub 7 and FSub 8 for the period during which such stock was held by Sub 2.

(aa) Sub 1's basis in the stock of FSub 7 and FSub 8 will not exceed Sub 2's basis in such stock at the time of its liquidation.

(bb) FSub 7 will not be a PFIC immediately before the FSub 7 Liquidation.

(cc) FSub 7 will not distribute any U.S. real property interests (as defined in § 1.897-1(c)) in the FSub 7 Liquidation.

(dd) The notice requirements of § 1.367(b)-1(c)(1) will be met with respect to the FSub 7 Liquidation.

The Upstream Reorganizations

Distributing 2 makes representations (ee) – (ii) and (mm) – (pp) with respect to each of the Upstream Reorganizations (each an “Upstream Reorganization”), representations (jj), (qq), and (rr) with respect to the Sub 1 Reorganization, and representations (kk) and (ll) with respect to the FSub 2 Reorganization. For purposes of this letter, (i) “Target” refers to the corporation ceasing to exist for federal income tax purposes after the respective Upstream Reorganization (i.e., Sub 1 with respect to the Sub 1 Reorganization and FSub 2 with respect to the FSub 2 Reorganization) and (ii) “Acquiring” refers to the corporation surviving for federal income tax purposes after the respective Upstream Reorganization (i.e., Distributing 1 with respect to the Sub 1 Reorganization and New Distributing 2 with respect to the FSub 2 Reorganization).

(ee) Acquiring will acquire at least 90% of the fair market value of the net assets and at least 70% of the fair market value of the gross assets held by Target immediately prior to the Upstream Reorganization. For purposes of this representation, amounts used by Target to pay its reorganization expenses, amounts paid by Target to shareholders who receive cash or other property, and all redemptions and distributions (except for regular, normal dividends) made by Target immediately preceding the transfer will be included as assets of Target held immediately prior to the Upstream Reorganization.

(ff) In connection with the Upstream Reorganization: (i) no person related (as defined in § 1.368-1(e)(4)) to Acquiring will have acquired Target stock with consideration other than Acquiring stock; (ii) no person related to Acquiring will have acquired or redeemed Target stock with consideration other than Acquiring stock or Target stock; and (iii) no distribution will have been made with respect to the stock of Target, other than ordinary, normal, regular dividend distributions made pursuant to the historic dividend paying practice of Target, either directly or through any transaction, agreement, or arrangement with any other person.

(gg) Acquiring has no plan or intention to sell or otherwise dispose of any of the assets of Target that will be acquired in the Upstream Reorganization, except for (i) dispositions made in the ordinary course of business, (ii) transfers set forth in the Proposed Transaction, or (iii) transfers described in § 368(a)(2)(C) or § 1.368-2(k).

(hh) The liabilities of Target that will be deemed to be assumed by Acquiring (within the meaning of § 357(d)) were incurred by Target or the Distributing 2 Related Entities in the ordinary course of their business and are associated with the assets being transferred to Acquiring.

(ii) Following the Upstream Reorganization, Acquiring will continue, either directly or through one or more members of Acquiring's qualified group (within the meaning of § 1.368-1(d)(4)(ii)), the historic business of Target or will use a significant portion of Target's historic business assets in a business.

(jj) Distributing 1 will pay or assume the expenses, if any, of each party incurred in connection with the Sub 1 Reorganization in accordance with the guidelines of Rev. Rul. 73-54, 1973-1 C.B. 189.

(kk) DRE 14 will pay or assume the expenses, if any, of each party incurred in connection with the FSub 2 Reorganization in accordance with the guidelines of Rev. Rul. 73-54, 1973-1 C.B. 189.

(ll) Immediately before the FSub 2 Reorganization, FSub 2 will not hold any United States real property interests within the meaning of § 897(c)(1) ("USRPIs").

(mm) There is no intercorporate indebtedness existing between Acquiring and Target that was issued, acquired, or will be settled at a discount.

(nn) No two parties to the Upstream Reorganization are investment companies, as defined in § 368(a)(2)(F)(iii) and (iv).

(oo) The total fair market value of the assets of Target at the effective time of the Upstream Reorganization will exceed the amount of its liabilities as of such time (including any liabilities canceled, extinguished, or assumed (as determined under § 357(d)) in connection with the respective Upstream Reorganization). The fair market value of the assets of Acquiring will exceed the amount of its liabilities immediately after the Upstream Reorganization.

(pp) Target is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of § 368(a)(3)(A).

(qq) With respect to the Sub 1 Reorganization, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations as a result of the Sub 1 Reorganization (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13, as published by T.D. 8597).

(rr) With respect to the Sub 1 Reorganization, the Proposed Transaction will not result in a change in payment expectations within the meaning of § 1.1001-3(e)(4)(vi) or otherwise result in a significant alteration within the meaning of § 1.1001-3(e)(4)(i)(E) with respect to the Sub 1 Senior Notes.

The FSub 3 Reorganization

Distributing 2 makes the following representations with respect to the FSub 3 Reorganization:

(ss) FSub 2 will receive solely New FSub 3 stock in the FSub 3 Reorganization.

(tt) The fair market value of the New FSub 3 stock received by FSub 2 in the FSub 3 Reorganization will be equal to the fair market value of the FSub 3 stock surrendered in the exchange.

(uu) Immediately following the FSub 3 Reorganization, FSub 2 will own all of the outstanding New FSub 3 stock and will own such stock solely by reason of its ownership of FSub 3 stock immediately prior to the FSub 3 Reorganization.

(vv) Immediately following the FSub 3 Reorganization, New FSub 3 will possess for federal income tax purposes the same assets and liabilities, except for (A) a nominal amount of assets to facilitate its organization as a corporation; and (B) any assets used to pay expenses incurred in connection with the FSub 3 Reorganization, as those possessed by FSub 3 immediately prior to the FSub 3 Reorganization. The assets used to pay expenses will be less than 1% of the fair market value of the net assets of FSub 3 immediately prior to the FSub 3 Reorganization. Other than the deemed distribution by FSub 3 of the New FSub 3 stock in exchange for FSub 2's FSub 3 stock in the FSub 3 Reorganization, no assets will be distributed by FSub 3 simultaneously with the FSub 3 Reorganization.

(ww) All the liabilities of FSub 3 that will be deemed to be assumed by New FSub 3 in the FSub 3 Reorganization (as determined under § 357(d)), will be liabilities that were incurred by FSub 3 in the ordinary course of its business and are associated with the assets transferred from FSub 3 to New FSub 3.

(xx) FSub 2 will pay its own expenses incurred in connection with the FSub 3 Reorganization.

(yy) FSub 3 is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of § 368(a)(3)(A).

(zz) At all times prior to acquiring the assets of FSub 3 in the FSub 3 Reorganization: (A) New FSub 3 will have been engaged in no business activity; (B) New FSub 3 will have had no federal income tax attributes (attributes described in § 381(c)) other than those, if any, related to holding the assets described in the following clause (C); and (C) New FSub 3 will have held no assets (except for a nominal amount of assets to facilitate its organization as a corporation).

(aaa) FSub 3 will be eligible to be treated as a disregarded entity under §§ 301.7701-2 and 301.7701-3.

(bbb) FSub 3 does not have any effectively connected earnings and profits (as defined by § 884(d)) or accumulated effectively connected earnings and profits (as defined by § 884(b)(2)(B)(ii)).

(ccc) Immediately before the FSub 3 Reorganization, FSub 3 will not hold any USRPIs.

The First Contribution and the Internal Distribution

Distributing 2 makes the following representations with respect to the First Contribution and the Internal Distribution:

(ddd) The indebtedness, if any, owed by Controlled 1 to Distributing 1 after the Internal Distribution will not constitute stock or securities.

(eee) No part of the consideration to be distributed in the Internal Distribution will be received by any shareholder of Distributing 1 as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 1.

(fff) The five years of financial information submitted on behalf of Business A conducted by the Distributing 1 SAG is representative of its present business operations, and with regard to such operations, there have been no substantial operational changes since the date of the last financial statements submitted.

(ggg) The five years of financial information submitted on behalf of Business B conducted by the Distributing 1 SAG is representative of its present business operations, and with regard to such operations, there have been no substantial operational changes since the date of the last financial statements submitted.

(hhh) The Distributing 1 SAG neither acquired Business A nor acquired control of an entity conducting Business A during the five-year period ending on the date of the Internal Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(iii) The Distributing 1 SAG neither acquired Business B nor acquired control of an entity conducting Business B during the five-year period ending on the date of the Internal Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(jjj) Following the Internal Distribution, except for the Non-SAG Affiliate Managerial Activities, the Distributing 1 SAG will continue the active conduct of Business A independently and with its separate employees (except as provided pursuant to the Transitional Service Agreements).

(kkk) Following the Internal Distribution, except for the Business B Affiliate Managerial Activities, and any employees of DRE 6 who are transferred to Controlled 2 after the Internal Distribution but before the External Distribution, the Controlled 1 SAG will continue the active conduct of Business B, independently and with its separate employees (except as provided pursuant to the Transitional Service Agreements).

(III) The Internal Distribution will be carried out for the corporate business purpose of facilitating the External Distribution. The Internal Distribution is motivated, in whole or substantial part, by this corporate business purpose.

(mmm) The Internal Distribution is not being used principally as a device for the distribution of the E&P of Distributing 1 or Controlled 1, or both.

(nnn) Immediately after the Internal Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 1 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 1 stock, that was acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Internal Distribution.

(ooo) Immediately after the Internal Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled 1 stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled 1 stock, that was either (i) acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Internal Distribution, or (ii) attributable to distributions on Distributing 1 stock that was acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Internal Distribution.

(ppp) The total fair market value of the assets that Distributing 1 will transfer to Controlled 1 in the First Contribution will equal or exceed the sum of (i) the total liabilities (if any) assumed (within the meaning of § 357(d)) by Controlled 1 and (ii) the amount of liabilities (if any) owed to Controlled 1 by Distributing 1 that are discharged or extinguished in the exchange. The total fair market value of the assets of Controlled 1 will exceed the amount of its liabilities immediately after the Internal Distribution.

(qqq) The total adjusted bases of the assets transferred to Controlled 1 by Distributing 1 in the First Contribution will equal or exceed the amount of any liabilities assumed (within the meaning of § 357(d)) by Controlled 1.

(rrr) The liabilities (if any) assumed (within the meaning of § 357(d)) by Controlled 1 in the First Contribution were incurred in the ordinary course of business and are associated with the assets being transferred.

(sss) Except for indebtedness that may be created in the ordinary course of business or in connection with the Continuing Agreements, no indebtedness will exist between Distributing 1 (or any entity controlled directly or indirectly by Distributing 1) and Controlled 1 (or any entity controlled directly or indirectly by Controlled 1) at the time of, or after, the Internal Distribution.

(ttt) Immediately before the Internal Distribution, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). Further, any excess loss account of a member

in the stock of another member that is required to be taken into account by § 1.1502-19 will be included in income, immediately before the transaction.

(uuu) Except with respect to certain payments made pursuant to the Transitional Service Agreements, payments made in connection with all continuing transactions between Distributing 1 and Controlled 1 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(vvv) No two parties to the First Contribution and the Internal Distribution are investment companies, as defined in § 368(a)(2)(F)(iii) and (iv).

(www) The Internal Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock possessing a 50% or greater interest (within the meaning of § 355(d)(4)) in Distributing 1 or Controlled 1 (including any predecessor or successor of any such corporation).

(xxx) Immediately after the Internal Distribution, either (i) no person will hold a 50% or greater interest in the stock of Distributing 1 or Controlled 1 that such person did not hold before the Internal Distribution (taking into account § 355(g)(3) and (g)(4)), or (ii) neither Distributing 1 nor Controlled 1 will be a disqualified investment corporation (within the meaning of § 355(g)(2)).

(yyy) Distributing 1 and Controlled 1, and their respective shareholders, will each pay their own expenses, if any, incurred in connection with the Internal Distribution.

(zzz) The distribution of Controlled 1 stock to Distributing 1's shareholders in the Internal Distribution is with respect to their ownership of Distributing 1 stock. Any money, property, or stock contributed by Distributing 1 to Controlled 1 in the First Contribution will be exchanged solely for stock in, and the assumption of liabilities by, Controlled 1.

(aaaa) Distributing 1 has not been and will not be a USRPHC, within the meaning of § 897(c)(2), at any time during the five-year period ending on the date of the Internal Distribution.

The Second Contribution and the External Distribution

Distributing 2 makes the following representations with respect to the Second Contribution and the External Distribution:

(bbbb) The indebtedness, if any, owed by Controlled 2 to New Distributing 2 after the External Distribution will not constitute stock or securities.

(cccc) No part of the consideration to be distributed in the External Distribution will be received by any shareholder of New Distributing 2 as a creditor, employee, or in any capacity other than that of a shareholder of New Distributing 2, except for, potentially, restricted or unrestricted shares of Controlled 2 stock received by certain New Distributing 2 employees with respect to restricted shares of New Distributing 2 Common Stock.

(dddd) The five years of financial information submitted on behalf of Business A conducted by the Distributing 2 SAG is representative of its present business operations and, with regard to such operations, there have been no substantial operational changes since the date of the last financial statements submitted.

(eeee) The five years of financial information submitted on behalf of Business B conducted by the Distributing 2 SAG is representative of its present business operations and, with regard to such operations, there have been no substantial operational changes since the date of the last financial statements submitted.

(ffff) Taking into account rulings (1), (2), (3), and (7), the New Distributing 2 SAG neither will have acquired Business A nor will have acquired control of an entity conducting Business A during the five-year period ending on the date of the External Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(gggg) Taking into account rulings (1), (2), (3), and (7), the New Distributing 2 SAG neither will have acquired Business B nor will have acquired control of an entity conducting Business B during the five-year period ending on the date of the External Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(hhhh) Following the External Distribution, the New Distributing 2 SAG will continue the active conduct of Business A and the Controlled 2 SAG will continue the active conduct of Business B, independently and with their separate employees (except as provided pursuant to the Transitional Service Agreements).

(iiii) The External Distribution will be carried out for the Corporate Business Purposes. The External Distribution is motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(jjjj) The External Distribution is not being used principally as a device for the distribution of the E&P of New Distributing 2 or Controlled 2, or both.

(kkkk) The receipt by New Distributing 2 shareholders of cash in lieu of fractional shares of Controlled 2 stock is solely for the purpose of avoiding the expense and

inconvenience to Controlled 2 of issuing fractional shares and does not represent separately bargained for consideration. It is intended that the total cash consideration received by the shareholders of New Distributing 2 will not exceed 1% of the total consideration that will be distributed in the External Distribution. It is also intended that no New Distributing 2 shareholder will receive cash in an amount equal to or greater than the value of one full share of Controlled 2 common stock.

(llll) Immediately after the External Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of New Distributing 2 stock entitled to vote, or 50% or more of the total value of shares of all classes of New Distributing 2 stock, that was acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the External Distribution.

(mmmm) Immediately after the External Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled 2 stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled 2 stock, that was either (i) acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the External Distribution, or (ii) attributable to distributions on New Distributing 2 Common Stock that was acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the External Distribution.

(nnnn) The total fair market value of the assets that New Distributing 2 will transfer to Controlled 2 in the Second Contribution will equal or exceed the sum of: (i) the total liabilities (if any) assumed (within the meaning of § 357(d)) by Controlled 2 and (ii) the amount of liabilities (if any) owed to Controlled 2 by New Distributing 2 that are discharged or extinguished in the exchange. The total fair market value of the assets of Controlled 2 will exceed the amount of its liabilities immediately after the External Distribution.

(oooo) The total adjusted bases of the assets transferred to Controlled 2 by New Distributing 2 in the Second Contribution will equal or exceed the amount of any liabilities assumed (within the meaning of § 357(d)) by Controlled 2.

(pppp) The liabilities (if any) assumed (within the meaning of § 357(d)) by Controlled 2 in the Second Contribution were incurred in the ordinary course of business and are associated with the assets being transferred.

(qqqq) Except for indebtedness that may be created in the ordinary course of business or in connection with the Continuing Agreements, no indebtedness will exist between New Distributing 2 (or any entity controlled directly or indirectly by New

Distributing 2) and Controlled 2 (or any entity controlled directly or indirectly by Controlled 2) at the time of, or after, the External Distribution.

(rrrr) Except with respect to certain payments made pursuant to the Transitional Service Agreements, payments made in connection with all continuing transactions between New Distributing 2 and Controlled 2 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(ssss) No two parties to the Second Contribution and the External Distribution are investment companies, as defined in § 368(a)(2)(F)(iii) and (iv).

(tttt) The External Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock possessing a 50% or greater interest (within the meaning of § 355(d)(4)) in New Distributing 2 or Controlled 2 (including any predecessor or successor of any such corporation).

(uuuu) Immediately after the External Distribution, either (i) no person will hold a 50% or greater interest in the stock of New Distributing 2 or Controlled 2 that such person did not hold before the External Distribution (taking into account § 355(g)(3) and (g)(4)), or (ii) neither New Distributing 2 nor Controlled 2 will be a disqualified investment corporation (within the meaning of § 355(g)(2)).

(vvvv) New Distributing 2 and Controlled 2, and their respective shareholders, will each pay their own expenses, if any, incurred in connection with the External Distribution.

(www) The distribution of Controlled 2 stock to New Distributing 2's shareholders in the External Distribution is with respect to their ownership of New Distributing 2 stock. Any money, property, or stock contributed by New Distributing 2 to Controlled 2 in the Second Contribution will be exchanged solely for stock in, and the assumption of liabilities by, Controlled 2.

(xxxx) Immediately before the Original Second Contribution, New Distributing 2 and DRE 16 will not hold any USRPIs.

Miscellaneous

(yyyy) The FSub 4 Instrument and the FSub 5 Instrument are equity for federal income tax purposes.

(zzzz) DRE 12 was eligible to elect to be treated as a disregarded entity for U.S. tax purposes under § 301.7701-3 and filed a valid election to be treated as a disregarded entity effective Date 2.

(aaaaa) DRE 15 is eligible to elect to be treated as a disregarded entity under § 301.7701-3 and will file a valid election to be treated as a disregarded entity effective as of the date of its formation.

(bbbbb) DRE 16 is eligible to elect to be treated as a disregarded entity under § 301.7701-3 and will file a valid election to be treated as a disregarded entity effective as of the date of its formation.

Rulings

Based solely on the information submitted and the representations set forth above, and provided that (i) the distribution of Controlled 1 and Controlled 2 stock to Distributing 1 and Distributing 2's respective shareholders in the Internal and External Distributions is with respect to their respective ownership in Distributing 1 and Distributing 2 stock, (ii) any money, property, or stock contributed by Distributing 1 to Controlled 1 in the First Contribution, or by Distributing 2 to Controlled 2 in the Second Contribution, is exchanged solely for stock or securities in, and the assumption of liabilities by, Controlled 1 or Controlled 2, respectively, and (iii) any other transfer of stock, money, or property between Distributing 1 or Distributing 2 and Controlled 1 or Controlled 2, or any Distributing 1 or Distributing 2 shareholder and any other person related to Distributing 1 or Distributing 2, Controlled 1, or Controlled 2, or any Distributing 1 or Distributing 2 shareholder is respected as a separate transaction, we rule as follows:

The Distributing 2 Migration

(1) The Distributing 2 Migration will constitute a reorganization within the meaning of § 368(a)(1)(F). Distributing 2 and New Distributing 2 will each be "a party to a reorganization" within the meaning of § 368(b).

(2) No gain or loss will be recognized by Distributing 2 upon the transfer of all of its assets to New Distributing 2 in exchange for shares of New Distributing 2 Common Stock and the assumption of liabilities. §§ 361(a) and 357(a).

(3) No gain or loss will be recognized by New Distributing 2 upon the receipt of the Distributing 2 assets. § 1032(a).

(4) New Distributing 2's basis in each of the assets acquired from Distributing 2 will be the same as Distributing 2's basis in such asset immediately before the Distributing 2 Migration. § 362(b).

(5) New Distributing 2's holding period for each of the assets acquired from Distributing 2 will include the period during which such asset was held by Distributing 2. § 1223(2).

(6) No gain or loss will be recognized by Distributing 2 on the distribution to Distributing 2's shareholders of the shares of New Distributing 2 Common Stock. § 361(c)(1).

(7) Except for any five-percent-shareholder of Distributing 2 (within the meaning of § 1.367(a)-3(b)(1)(ii)) not filing a timely gain recognition agreement, if any, required by § 1.367(a)-8, no gain or loss will be recognized by Distributing 2's shareholders upon the receipt of the shares of New Distributing 2 Common Stock in exchange for shares of Distributing 2 Common Stock. § 354(a)(1).

(8) The basis in each share of New Distributing 2 Common Stock received by a Distributing 2 shareholder in exchange for a share of Distributing 2 Common Stock will be equal to the basis of each share of Distributing 2 Common Stock exchanged therefor. § 358(a)(1) and § 1.358-2(a)(2)(i).

(9) The holding period for each share of New Distributing 2 Common Stock in the hands of a shareholder of Distributing 2 will include the period during which the Distributing 2 shareholder held the share of Distributing 2 Common Stock exchanged therefor, provided that the Distributing 2 Common Stock is held as a capital asset in the hands of the Distributing 2 shareholder on the date of the exchange. § 1223(1).

(10) As provided by § 381(a), New Distributing 2 will succeed to the tax attributes of Distributing 2 enumerated in § 381(c).

(11) The taxable year of Distributing 2 will not close as of the effective date of the Distributing 2 Migration, and such tax year will continue as the taxable year of New Distributing 2 (§ 1.381(b)-1 and Rev. Rul. 57-276, 1957-1 C.B.126).

The Liquidations

(12) Each of the Liquidations will be treated as a distribution by the respective Subsidiary in complete liquidation under § 332.

(13) No gain or loss will be recognized by Parent on the receipt of the assets and liabilities of the respective Subsidiary pursuant to each of the Liquidations. § 332(a).

(14) No gain or loss will be recognized by the respective Subsidiary on the distribution of its assets and liabilities to Parent in each of the Liquidations. § 337(a), (b); § 1.332-7.

(15) The basis of each asset of the respective Subsidiary received by Parent pursuant to each of the Liquidations will be the same as the basis of that asset in the hands of such Subsidiary immediately before each of the Liquidations. § 334(b)(1).

(16) The holding period of each asset of the respective Subsidiary received by Parent in each of the Liquidations will include the period during which such Subsidiary held such asset. § 1223(2).

(17) In each of the Liquidations, Parent will succeed to and take into account the items of the respective Subsidiary described in § 381(c) (§ 381(a)(1) and § 1.381(a)-1), subject to the conditions and limitations specified in §§ 367, 381, 382, 383, and 384 and the regulations thereunder, as applicable.

(18) Parent will not realize income under § 61(a)(12) or § 1.301-1(m) with respect to the extinguishment of intercompany debt, if any, in each of the Liquidations. See Rev. Rul. 74-54, 1974-1 C.B. 76.

(19) Except to the extent Sub 2's E&P are reflected in Sub 1's E&P, Sub 1 will succeed to and take into account the E&P, or deficit in E&P, of Sub 2 as of the date of the Sub 2 Liquidation. § 381(c)(2)(A) and §§ 1.381(c)(2)-1 and 1.1502-33(a)(2). Any deficit in the E&P of Sub 2 will be used only to offset E&P accumulated after the date of the Sub 2 Liquidation. § 381(c)(2)(B).

(20) Sub 1 shall include in income as a deemed dividend all earnings and profits, if any, with respect to its stock in FSub 7 as required by § 1.367(b)-3(b)(3).

(21) The earnings and profits of FSub 8, to the extent attributable to Sub 1 under §§ 1.1248-2 or 1.1248-3 (whichever is applicable), that were accumulated in tax years of such foreign corporation beginning after December 31, 1962, and during the period in which such corporation was a CFC, will be attributable to such stock held by Distributing 1. § 1.1248-1(a)(1).

The Upstream Reorganizations

(22) For federal income tax purposes, each of the Upstream Reorganizations will be treated as a transfer by the respective Target of substantially all of its assets to the respective Acquiring solely in exchange for Acquiring voting stock and Acquiring's assumption of Target's liabilities followed by the distribution by such Target of such Acquiring voting stock to Acquiring in complete liquidation.

(23) Each of the Upstream Reorganizations will qualify as a reorganization under § 368(a)(1)(C). Each of the Upstream Reorganizations will not be disqualified or recharacterized by reason of the subsequent transfers set forth in the Proposed

Transaction. § 368(a)(2)(C); § 1.368-2(k). Each respective Target and Acquiring will be a “party to a reorganization” within the meaning of § 368(b).

(24) No gain or loss will be recognized by the respective Target on the deemed transfer of substantially all of its assets to the respective Acquiring solely in exchange for shares of Acquiring voting stock and Acquiring’s assumption of Target’s liabilities. §§ 361(a) and 357(a).

(25) No gain or loss will be recognized by the respective Target on the deemed distribution of the respective Acquiring voting stock to Acquiring. § 361(c).

(26) No gain or loss will be recognized by the respective Acquiring upon the deemed receipt of the assets of the respective Target solely in constructive exchange for Acquiring voting stock. § 1032(a).

(27) The basis of the assets of the respective Target in the hands of the respective Acquiring will be the same as the basis of those assets in the hands of Target immediately prior to the respective Upstream Reorganization. § 362(b).

(28) The holding period of the assets of the respective Target in the hands of the respective Acquiring will include the period during which those assets were held by Target. § 1223(2).

(29) No gain or loss will be recognized by the respective Acquiring upon the deemed receipt of Acquiring voting stock solely in exchange for the respective Target stock. § 354(a)(1).

(30) The respective Acquiring will succeed to and take into account as of the close of the effective date of the respective Upstream Reorganization the attributes of the respective Target described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383, and 384 and the regulations thereunder. § 381(a) and § 1.381(a)-1.

(31) The respective Acquiring will not realize income under § 61(a)(12) or § 1.301-1(m) with respect to the extinguishment of intercompany debt, if any, in the respective Upstream Reorganization. See Rev. Rul. 74-54, 1974-1 C.B. 76.

(32) The Sub 1 Reorganization will not result in a significant modification of the Sub 1 Senior Notes under § 1.1001-3(e).

The FSub 3 Reorganization

(33) The FSub 3 Reorganization will constitute a reorganization within the meaning of § 368(a)(1)(F). FSub 3 and New FSub 3 will each be “a party to a reorganization” within the meaning of § 368(b).

(34) No gain or loss will be recognized by FSub 3 upon the deemed transfer of all of its assets to New FSub 3 in exchange for New FSub 3 stock and the assumption of liabilities. §§ 361(a) and 357(a).

(35) No gain or loss will be recognized by New FSub 3 upon the receipt of the FSub 3 assets. § 1032(a).

(36) New FSub 3’s basis in each of the assets acquired from FSub 3 will be the same as FSub 3’s basis in such asset immediately before the FSub 3 Reorganization. § 362(b).

(37) New FSub 3’s holding period for each of the assets acquired from FSub 3 will include the period during which such asset was held by FSub 3. § 1223(2).

(38) No gain or loss will be recognized by FSub 3 on the deemed distribution to FSub 2 of the New FSub 3 stock. § 361(c)(1).

(39) No gain or loss will be recognized by FSub 2 upon the receipt of the stock of New FSub 3 in exchange for the stock of FSub 3. § 354(a)(1).

(40) FSub 2’s basis in each share of New FSub 3 stock received in exchange for FSub 3 stock will be equal to the basis of each share of FSub 3 stock treated as exchanged therefor. § 358(a)(1) and § 1.358-2(a)(2)(i).

(41) The holding period for the New FSub 3 stock in the hands of FSub 2 will include the period during which FSub 2 held the FSub 3 stock exchanged therefor, provided that the FSub 3 stock is held as a capital asset in the hands of FSub 2 on the date of the exchange. § 1223(1).

(42) As provided by § 381(a), New FSub 3 will succeed to the tax attributes of FSub 3 enumerated in § 381(c).

(43) The taxable year of FSub 3 will not close as of the effective date of the FSub 3 Reorganization, and such tax year will continue as the taxable year of New FSub 3 (§ 1.381(b)-1 and Rev. Rul. 57-276, 1957-1 C.B. 126), and following the completion of the FSub 3 Reorganization New FSub 3 will continue as the § 381 successor to FSub 3.

The First Contribution and the Internal Distribution

(44) The First Contribution followed by the Internal Distribution will be a “reorganization” within the meaning of § 368(a)(1)(D). Distributing 1 and Controlled 1 will each be “a party to a reorganization” within the meaning of § 368(b).

(45) Distributing 1 will recognize no gain or loss (and no amount will be includible in its income) on the First Contribution (including the receipt of Controlled 1 stock). § 357(a) and § 361(a).

(46) Controlled 1 will recognize no gain or loss on the First Contribution. § 1032(a).

(47) Controlled 1’s basis in each asset received in the First Contribution will be the same as the basis of that asset in the hands of Distributing 1 immediately before the First Contribution. § 362(b).

(48) Controlled 1’s holding period in each asset received in the First Contribution will include the period during which Distributing 1 held such asset. § 1223(2).

(49) Distributing 1 will recognize no gain or loss on the Internal Distribution. § 361(c)(1) and § 1.367(e)-1(c).

(50) New Distributing 2 will recognize no gain or loss (and no amount will be includible in its income) on the receipt of Controlled 1 stock in the Internal Distribution. § 355(a)(1).

(51) Distributing 1 will not have any withholding tax responsibilities under § 1441 with respect to the Internal Distribution. § 1.367(e)-1(b)(4).

(52) The basis of the Distributing 1 stock and the Controlled 1 stock in the hands of New Distributing 2 immediately after the Internal Distribution will be the same as the basis of the Distributing 1 stock held by New Distributing 2 immediately before the Internal Distribution, allocated between the stock of Distributing 1 and Controlled 1 in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). § 358(a), (b), and (c).

(53) New Distributing 2’s holding period in the Controlled 1 stock received in the Internal Distribution will include the holding period of the Distributing 1 stock on which the Internal Distribution is made, provided that New Distributing 2 holds such Distributing 1 stock as a capital asset on the date of the Internal Distribution. § 1223(1).

(54) E&P will be allocated between Distributing 1 and Controlled 1 in accordance with § 312(h) and §§ 1.312-10(a) and 1.1502-33(e)(3).

(55) Except for purposes of § 355(g), payments made between any of Distributing 1, Controlled 1, and their respective affiliates under any of the Continuing Agreements regarding liabilities, indemnities, or other obligations that (i) have arisen or will arise for a taxable period ending on or before the Internal Distribution or for a taxable period beginning on or before and ending after the Internal Distribution and (ii) will not become fixed and ascertainable until after the Internal Distribution, will be viewed as occurring before the Internal Distribution. See *Arrowsmith v. Commissioner*, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

(56) Controlled 1 will not be a successor to Distributing 1 for purposes of § 1504(a)(3); therefore, Controlled 1 and its direct and indirect subsidiaries that are “includible corporations” (under § 1504(b)) and satisfy the ownership requirements of § 1504(a)(2) will be members of an affiliated group of corporations entitled to file a consolidated federal income tax return with Controlled 1 as the common parent.

(57) The earnings and profits of FSub 8, to the extent attributable to Distributing 1 under §§ 1.1248-2 or 1.1248-3 (whichever is applicable), that were accumulated in tax years of such foreign corporation beginning after December 31, 1962, and during the period in which the corporation was a CFC, will be attributable to such stock held by Controlled 1. § 1.1248-1(a)(1).

The Sales

With respect to the Rulings below for the Sales (each a “Sale”), (i) “Seller” respectively refers to (A) FSub 4 and FSub 5 with respect to the GP Sales and (B) New FSub 3 with respect to the New FSub 3 Sale and (ii) “Buyer” refers to Controlled 2 with respect to both the GP Sales and the New FSub 3 Sale.

(58) The respective Seller will recognize gain upon the respective Sale to the extent that the fair market value of the assets sold in such Sale exceeds Seller’s adjusted basis in each such asset. § 1001.

(59) Buyer will take a cost basis under § 1012 in each of the assets purchased from the respective Seller in the respective Sale.

The Controlled 2 IPO

(60) Controlled 2 will recognize no gain or loss on the issuance of shares to underwriters and the public in the Controlled 2 IPO. § 1032(a).

The Second Contribution and the External Distribution

(61) The Second Contribution followed by the External Distribution will be a “reorganization” within the meaning of § 368(a)(1)(D). New Distributing 2 and Controlled 2 will each be “a party to a reorganization” within the meaning of § 368(b).

(62) New Distributing 2 will recognize no gain or loss (and no amount will be includible in its income) on the Second Contribution (including the receipt of Controlled 2 stock). §§ 357(a) and 361(a).

(63) Controlled 2 will recognize no gain or loss on the Second Contribution. § 1032(a).

(64) Controlled 2’s basis in each asset received in the Second Contribution will be the same as the basis of that asset in the hands of New Distributing 2 immediately before the Second Contribution. § 362(b).

(65) Controlled 2’s holding period in each asset received in the Second Contribution will include the period during which New Distributing 2 held such asset. § 1223(2).

(66) New Distributing 2 will recognize no gain or loss on the External Distribution. § 361(c)(1).

(67) New Distributing 2’s shareholders will recognize no gain or loss (and no amount will be includible in their income) on the receipt of Controlled 2 stock in the External Distribution. § 355(a)(1).

(68) The basis of the New Distributing 2 Common Stock and the Controlled 2 stock in the hands of each New Distributing 2 shareholder immediately after the External Distribution (including any fractional share interest in Controlled 2 stock to which the shareholder may be entitled) will be the same as the basis of the New Distributing 2 Common Stock held by such New Distributing 2 shareholder immediately before the External Distribution, allocated between the New Distributing 2 Common Stock and the stock of Controlled 2 in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). § 358(a), (b), and (c).

(69) The holding period of the Controlled 2 stock received by each New Distributing 2 shareholder (including any fractional share interest in Controlled 2 stock to which the shareholder may be entitled) will include the holding period of the New Distributing 2 Common Stock held by such shareholder, provided the New Distributing 2 Common Stock was held as a capital asset on the date of the External Distribution. § 1223(1).

(70) E&P will be allocated between New Distributing 2 and Controlled 2 in accordance with § 312(h) and § 1.312-10(a).

(71) The receipt by New Distributing 2 shareholders of cash in lieu of fractional shares of Controlled 2 stock will be treated for federal income tax purposes as if the fractional shares had been distributed to the New Distributing 2 shareholders as part of the External Distribution and then had been disposed of by such shareholders for the amount of such cash in a sale or exchange. The gain or loss recognized, if any (determined using the bases allocated to the fractional shares in Ruling (68)), will be treated as capital gain (or loss), provided the stock was held as a capital asset by the selling shareholder. § 1001. Such gain or loss will be short-term or long-term capital gain (or loss) (determined using the holding period provided in Ruling (69)).

(72) Except for purposes of § 355(g), payments made between any of New Distributing 2, Controlled 2, and their respective affiliates under any of the Continuing Agreements regarding liabilities, indemnities, or other obligations that (i) have arisen or will arise for a taxable period ending on or before the External Distribution or for a taxable period beginning on or before and ending after the External Distribution and (ii) will not become fixed and ascertainable until after the External Distribution, will be viewed as occurring before the External Distribution. See *Arrowsmith v. Commissioner*, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Caveats

We express no opinion about the tax treatment of the Proposed Transaction under other provisions of the Code and regulations or the tax treatment of any conditions existing at the time of, or effects resulting from, the Proposed Transaction that is not specifically covered by the above rulings. In particular, we express no opinion regarding:

- (i) Whether each of the Internal Distribution and the External Distribution satisfies the business purpose requirement of § 1.355-2(b).
- (ii) Whether each of the Internal Distribution and the External Distribution is being used principally as a device for the distribution of the E&P of Distributing 1, Controlled 1, New Distributing 2, Controlled 2, or any or all of them (see § 355(a)(1)(B) and § 1.355-2(d)).
- (iii) Whether any distribution described above and an acquisition or acquisitions are part of a plan (or series of related transactions) under § 355(e)(2)(A)(ii).
- (iv) The treatment of the Proposed Transaction under the international provisions of the Code, including whether the Distributing 2 Migration and the Second Contribution may constitute an indirect stock transfer within the meaning of § 1.367(a)-3(d)(1)(v).

- (v) Whether (1) the distribution of Controlled 1 and Controlled 2 stock to Distributing 1's and Distributing 2's respective shareholders in the Internal and External Distributions is with respect to their respective ownership in Distributing 1 and Distributing 2 stock, (2) any money, property, or stock contributed by Distributing 1 to Controlled 1 in the First Contribution, or by Distributing 2 to Controlled 2 in the Second Contribution, is exchanged solely for stock or securities in, and the assumption of liabilities by, Controlled 1 or Controlled 2, respectively, and (3) any other transfer of stock, money, or property between Distributing 1 or Distributing 2 and Controlled 1 or Controlled 2, or any Distributing 1 or Distributing 2 shareholder and any other person related to Distributing 1 or Distributing 2, Controlled 1, or Controlled 2, or any Distributing 1 or Distributing 2 shareholder is respected as a separate transaction.
- (vi) The Prefatory Transactions.
- (vii) Whether the FSub 4 Instrument and the FSub 5 Instrument are equity for federal income tax purposes.

Procedural Statements

This ruling letter is directed only to the taxpayers who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this ruling letter must be attached to the federal income tax return of each taxpayer involved for the taxable year in which the transactions described herein are completed. Alternatively, a taxpayer filing its return electronically may satisfy this requirement by attaching a statement to its federal income tax return that sets forth the date and control number of this ruling.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Richard K. Passales

Richard K. Passales
Senior Counsel, Branch 4
Office of Associate Chief Counsel (Corporate)

cc: